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13

14   **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
15   **SAN FRANCISCO DIVISION**

16
IMPLICIT NETWORKS, INC.,   )   Case No. 3:10-cv-4234-SI
17   )
            Plaintiff,   )   **JOINT STATEMENT REGARDING**
18   )   **JUNIPER'S MOTION TO COMPEL**
        vs.   )   **IMPLICIT TO PROVIDE DISCLOSURES**
19   )   **PURSUANT TO PATENT LOCAL RULES**
JUNIPER NETWORKS, INC.,   )   **3-1(C) AND 3-2(A)**
20   )
            Defendant.   )   Action filed: September 20, 2010
21   )

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JOINT STATEMENT REGARDING JUNIPER'S MOTION TO COMPEL IMPLICIT TO PROVIDE
DISCLOSURES PURSUANT TO PATENT LOCAL RULES 3-1(C) AND 3-2(A)

1   **A.   Summary of Dispute and Relief Requested**

2   Defendant Juniper Networks, Inc. ("Juniper") moves the Court for an order compelling

3   Plaintiff Implicit Networks, Inc. ("Implicit") to, within fourteen days of the Court's order:

4   1. Provide infringement contentions with pinpoint citations to Juniper's source
       code supporting its allegations regarding the alleged location of each limitation

5   of the asserted claims, pursuant to Patent L.R. 3-1(c); and

6   2. Identify and produce documents sufficient to evidence any public use or
       communication with third parties relating to the claimed invention prior to

7   December 29, 1999, pursuant to Patent L.R. 3-2(a).

8   The parties met and conferred but ultimately reached an impasse on these issues.

9   **B.   Juniper's Position**[1]

10   1.   <u>Implicit Cannot Indefinitely Withhold Its Source Code Citations</u>

11 As Implicit now concedes, when a party claims patent infringement based on the operation

12 of software, it is required to "supplement [its] infringement charges with pinpoint citations" to the

13 accused software code "[o]nce [that] source code has been provided." *See, e.g.*, *Vasudevan*

14 *Software, Inc. v. IBM*, 2011 U.S. Dist. LEXIS 33132, at *23 (N.D. Cal. Feb. 18, 2011). A

15 patentee can delay this obligation only if it can prove that it has not yet had a "reasonable

16 opportunity" to review the code, notwithstanding having proceeded in a "diligent or expeditious

17 manner." *Big Baboon Corp. v. Dell, Inc.*, 723 F.Supp.2d 1224, 1229 (C.D. Cal. 2010). Implicit

18 fails to satisfy its burden of proving that any further delay is warranted here.

19 Juniper first made its source code available to Implicit on September 9, 2011—over five

20 months ago.[2] Implicit spent about 4½ weeks reviewing this code. At the conclusion of its review

21 (October 20, 2012), Implicit requested printed copies of nearly 400 pages of Juniper source code

22 files, on the basis that those files "describe the functionality . . . and data structures" that Juniper

23 allegedly "employs for infringing operation." Juniper duly provided these pages to Implicit.

24 After allowing a reasonable time for Implicit to analyze the printed code files and to

25 conduct any additional review it deemed necessary, Juniper requested that Implicit disclose its

26 _____

27 [1] While deficiencies exist in Implicit's Patent Rule disclosures other than the two set forth
    below, Juniper yet hopes to resolve the others without Court intervention.

28 [2] To facilitate review, Juniper provided industry-standard software tools, including specific
    software that Implicit had requested, to the extent possible without compromising security.

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1 pinpoint citations to the allegedly infringing code.[3] Implicit initially claimed it was not obligated

2 to do so. Faced with this motion, however, Implicit changed course and now asserts that, although

3 it *will* disclose its source code citations at some unspecified date in the future, it is ***currently***

4 entitled to withhold them. But as explained above, the obligation to provide code pincites is

5 triggered by "reasonable opportunity," and Implicit has not met its burden of proving that the over

6 five months of opportunity it has already had to review the code is anything less than reasonable.

7 *See Big Baboon,* 723 F.Supp.2d at 1229 (compelling code citations where patentee "failed to

8 [show] that four months was unreasonable"); *Vasudevan,* 2011 U.S. Dist. LEXIS 33132, at *22

9 (same; request made three months after code made available).[4]

10   Like the plaintiff in *Big Baboon*, Implicit also attempts to justify further delay by pointing

11 to the size of the code database, alleged inadequacy of the review environment, and a claim that

12 materials were not produced that are "essential to understanding the code." 723 F.Supp.2d at

13 1226. But the court in *Big Baboon* rejected these arguments and found that it was the ***patentee***

14 that had failed to conduct its review "in a diligent or expeditious manner." *Id.* at 1229-30. And so

15 it is here; Implicit offers no explanation for its voluntary decision to stop its review after just 4½

16 weeks (where the code has been available for over five months).[5] Indeed, Implicit asked to

17 resume its review only ***after*** Juniper made its request for pinpoint citations last month. Implicit's

18 lack of diligence is no reason for further delay. The code citations should be disclosed now.

19   2.   Implicit Must Identify Documents Relevant To Its Patent Embodiment

20   Patent L.R. 3-2(a) requires patentees to produce ***and*** identify ("by production number"):

21   (a) Documents (e.g., contracts, purchase orders, invoices, advertisements,
            marketing materials, offer letters, beta site testing agreements, and third
22   party or joint development agreements) sufficient to evidence each
            discussion with, disclosure to, or other manner of providing to a third
23   party, or sale of or offer to sell, or any public use of, the claimed invention
            prior to the date of application for the patent in suit.
24

25   ---
        [3] Juniper did not request code citations when Implicit first served its contentions in May
26 2011 because it knew that Implicit had not yet had the opportunity to review the accused code.

        [4] Implicit recently told the Court that its source code review is "well underway."
27
        [5] Implicit claims it stopped its review so it could file a motion regarding the code review
28 software. But no such motion ever materialized. Instead, Implicit delayed for months before
    raising the issue again, at which point the parties resolved the matter without Court intervention.

JOINT STATEMENT REGARDING JUNIPER'S MOTION TO COMPEL IMPLICIT TO PROVIDE
DISCLOSURES PURSUANT TO PATENT LOCAL RULES 3-1(C) AND 3-2(A)

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1   Implicit has failed to identify and produce any such documents—claiming there are "[n]one to

2   produce"—based on a gross misreading of Rule 3-2(a).

3   During its technical tutorial presented on January 17, 2012, Implicit alleged its first patent

4   embodiment was "up and running by summer of 1997"—well before the patent filing date of

5   December 29, 1999. It defies reason to think that Implicit waited 2½ years to tell anyone about

6   this embodiment. And because Implicit contends this embodiment contained every limitation of

7   an asserted patent claim, any "discussion with" or "disclosure to" a third party of that embodiment

8   must be identified under Patent L.R. 3-2(a)—including evidence that may not itself expressly set

9   forth every technical limitation of the embodied claim. Indeed, the Rule expressly cites business

10 documents such as "contracts, purchase orders, invoices, advertisements, marketing materials,

11 [and] offer letters," which rarely contain such level of technical detail. Thus, documents about the

12 embodiment (*e.g.*, a letter suggesting possible sales terms or an external email disclosing its

13 operational features in a network environment) fall directly within the scope of the Rule.

14   Implicit nevertheless claims that it may withhold from its Rule 3-2(a) disclosure all

15 documents that do not ***themselves*** expressly disclose, within their four corners, every limitation of

16 an asserted patent claim. Thus, under Implicit's interpretation, the letter and email examples

17 above would ***not*** be disclosed, even though they constitute significant supporting evidence of an

18 invalidating sale, offer for sale, public use, or disclosure. Implicit's improper, narrow reading

19 would thwart the purpose of the Rule, which is designed to prompt disclosure of invalidity

20 evidence under a broad "relelvan[ce]" standard (per the law review article Implicit cites below).

21   Finally, Implicit claims (somewhat paradoxically) that, although there are "no[]

22 [documents] to produce" under Rule 3-2(a), in fact all such documents have ***already*** "been

23 produced." Even if that were true, Implicit has failed to "separately identify by production

24 number which documents" are responsive to Rule 3-2(a), as expressly required by the Rule.

25   **C.   Implicit's Position**

26   1.   Implicit Has Agreed to Provide Citations to Source Code.

27   The issue presented here is not *whether* Implicit will provide pinpoint source code

28 citations, but *when*: Juniper suddenly, and post-claims hearing, demanded that Implicit add such

1 citations, and iteratively as its review continues, while Implicit said it would add pinpoint citations

2 30 days after its source code concluded.

3   Five things matter here:

4   **First**, Juniper says that Implicit changed course. Indeed, it did: in an effort to resolve this

5 dispute, Implicit sent Juniper counsel a letter on February 21, 2012, agreeing to add pinpoint

6 citations 30 days after its source code review concluded. Juniper rejected this compromise,

7 insisting that the source code citations be provided immediately. Implicit should not be penalized

8 for trying to resolve this issue.

9   **Second**, Implicit's source code review is ongoing, as Juniper knows well. Juniper long

10 delayed Implicit's source inspection, and then denied Implicit the tools Implicit wanted -- there are

11 literally dozens of letters so documenting. Juniper insisted that Implicit's reviewer instead use one

12 inefficient tool, a tool that would not permit multi-file dynamic searching. Given the massive size

13 of the Juniper code base, a stack of code 50 stories high were it printed,[6] this review is ongoing.

14   **Third**, it is not true that Implicit only asked for continuing review after Juniper's January

15 23, 2012 demand for source citations. By letter dated October 21, Implicit underscored the tool

16 issue and continuing review:

17   As a result of JNI's arbitrary and highly unreasonable limits on
             search tools, along with the enormous size of the code base for
18   several accused products - over 120 Gigabytes - review is not near
             completed. This is far too expensive, and has taken too long. **As a**
19   **result, we will be temporarily interrupting our code review**
             after tomorrow, October 21. Pursuant to the Judge's standing
20   order, we will meet and confer with JNI before taking this matter
21   to the court.

22 Bishop to Hefazi, October 20, 2011 (emphasis added). And from late October forward, the parties

23 were consumed by claims briefing and hearing.

24   **Fourth**, Implicit has been diligent in its source code review. Given the size of the code,

25 Implicit retained two additional code reviewers, Implicit will have three people involved in the

26 review as of March 6 forward.

27 ───────────────
        6   Engineers can be funny. The Implicit reviewer reports there were 123 gigs of code,
28 and that just one version of the JUNOS OS was 4.6 gigs, which translates to 16.8 million lines of
    source, or over two million pages, which would make a stack of paper 54 stories high if printed.

1   **Fifth**, Implicit filed its Infringement Contentions in May of last year. *At no time until*

2 *January 23 of this year, eight months later, did Juniper complain.* It now says (in

3 correspondence) that its six lawyers were too busy on other cases to review the Contentions

4 earlier. Then, in the week following the claims hearing, Juniper suddenly demanded that Implicit

5 add pinpoint source citations to its Contentions.   This is all about a new post-claims litigation

6 strategy (*e.g.*, the new re-exam and stay motion) and not remotely a good faith complaint.

7   2.   Implicit Has Complied With P.L.R. 3-2(a).

8   Implicit agrees with Juniper that "contracts, purchase orders," and similar documents that

9 evidence a "sale of or offer to sell, or any public use of the claimed invention" (P.L.R. 3-2(a) need

10 to be identified, to the extent "sufficient to evidence" such sale, etc. The rule is designed to

11 surface invalidating prior use and on-sale bar documents.

12   Where the parties differ is that Juniper takes misreads Patent Local Rule 3-2(a) in its

13 insistence that the rule requires identification of any document evidencing "discussion" or

14 "disclosure" to a third party of even a **single** element of a claimed invention. Juniper's reading

15 would require Implicit, for example, to identify any prefiling document where Implicit discussed

16 any of the thousands of existing computer systems that could receive packets of a message,

17 because that is a limitation claimed in the asserted Implicit Patent No. 7,711,857. Implicit has

18 repeatedly asked Juniper (most recently by letter on February 10) to provide it with any authority

19 supporting its reading of the rule. Juniper has never provided it, either to Implicit, or in its

20 briefing to this Court – because there is none to be found. As Chief Judge Ware has written in

21 explaining the Northern District of California's Patent Local Rules, "Rule 3-2(a) requires the

22 patentee to provide documents relating to any invention disclosures the patentee made to third

23 parties prior to filing the application for the patent being asserted."   Ware, James, and Brian

24 Davy, *Santa Clara Computer & High Tech Law Journal*, Vol. 25: 988 (2009). This clearly relates

25 to public disclosure of the invention, not of one element of an invention.

26   Implicit did not have a commercial product ready to sell until the 2000 Consumer

27 Electronics Show, held in February 2000, and has so told Juniper in writing, repeatedly. Any

28 "prototypes" earlier were just that – prototypes.

JOINT STATEMENT REGARDING JUNIPER'S MOTION TO COMPEL IMPLICIT TO PROVIDE
DISCLOSURES PURSUANT TO PATENT LOCAL RULES 3-1(C) AND 3-2(A)

1 | DATED: February 24, 2012   Respectfully submitted,

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1   **CERTIFICATION PURSUANT TO GENERAL ORDER 45**

2   I hereby attest pursuant to General Order 45X.B, that concurrence in the electronic filing of

3 this document has been obtained from the other signatories.

4   DATED: February 24, 2012

5   */s/ Nima Hefazi*

6   Nima Hefazi

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JOINT STATEMENT REGARDING JUNIPER'S MOTION TO COMPEL IMPLICIT TO PROVIDE
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